

REVISED
Consent Agenda Item No. 7m
THE BOARD OF COUNTY COMMISSIONERS
DURHAM, NORTH CAROLINA

Monday, May 24, 2004

AGENDA

4:00 P.M.

Joint Meeting?Board of County Commissioners and
Durham Public Schools Board of Education

6:00 P.M.

Closed Session

The Board of Commissioners is requested to adjourn to closed session to instruct the staff concerning the position to be taken in negotiating the material terms for the acquisition of two real properties pursuant to G.S. § 143-318.11(a)(5). The two properties are: 247 S. Mangum owned by U-Haul Real Estate Company and 50 acres located on the west side of South Lowell Road owned by Sean P. and Kristi Scully.

7:00 P.M. Regular Session

1. **Opening of Regular Session**?Pledge of Allegiance 5 min.

2. **Agenda Adjustments** 5 min.

3. **Minutes** 5 min.

a. April 26, 2004 BOCC/Public Health

b. May 10, 2004 Regular Session

4. **Acts of Caring Award?Teen Diploma Academy**

5 min.

The National Association of Counties (NAC0) presented an "Acts of Caring" Award to Durham County's Teen Diploma Academy last month. Ms. Lucy Haagen and Mr. Fred Foster Jr. of the Durham Literacy Council attended the event and were joined by Congressman David Price.

The Acts of Caring Awards recognize top county volunteer programs in the country that enhance and preserve the quality of life for America's communities.

RESOURCE PERSON(S): Chairman Ellen W. Reckhow

COUNTY MANAGER'S RECOMMENDATION: Congratulate Ms. Haagen and Mr. Foster for receiving this outstanding recognition.

5. **May Anchor Award Winner?Vivian Harris**

5 min.

Ms. Vivian Harris of the Durham Center serves as Director of Standards and Records for the department. Ms. Harris chairs the "Best Practices Team" and is cited for successfully leading the team as it "iron[s] out issues and potential problems". Interim Durham Center Area Director Ellen Holliman has nominated Ms. Harris for her overall leadership as the organization transitions because of Mental Health Reform. According to Ms. Holliman, Ms. Harris "keeps the team focused on the issues at hand, which is yielding good results".

COUNTY MANAGER'S RECOMMENDATION: The Manager recommends that the May Anchor Award be presented to Ms. Vivian Harris, along with sincere congratulations of the entire organization.

6. **FY 2004-2005 Recommended Budget**

30 min.

Durham County Manager Michael M. Ruffin will formally present the recommended budget for FY 2004-2005 to the Board of County Commissioners. This is in accordance with N.C.G.S. 159-12(b), the Local Government and Fiscal Control Act.

RESOURCE PERSON(S): Michael M. Ruffin

COUNTY MANAGER'S RECOMMENDATION: The Manager recommends that the Board receive his presentation.

7. **Consent Agenda** 20 min.

- a. Property Tax Releases and Refunds for Fiscal Year 2003-04 (accept the April property tax release and refund report as presented and authorize the Tax Assessor to adjust the tax records as outlined by the report);
- b. Capital Project Ordinance Amendment No. 04CPA000014 (approve the use of Public School Building Funds for HVAC upgrade at Neal Middle School);
- c. Budget Ordinance Amendment No. 04BCC000071?Mental Health Department (appropriate \$100,000 on a one-time basis for a transitional employment program for individuals with mental retardation);
- d. Purchase of Total Containment Vessel for \$143,200?Emergency Management (approve the purchase from DHS Part II Grant Program funds);
- e. First Amendment to Service Contract for Services With Excelliant Services Inc. (approve the amendment to the contract not to exceed \$35,600 and authorize the Manager to execute);
- f. JCPC Recommendation for FY 2004-2005 JCPC/DJJDP Program Funding (approve the recommended plan to allocate \$561,475 in State funding for FY 04-05);
- g. Grant Agreement to North Carolina Museum of Life and Science Inc. (approve the agreement for \$5,280,000 and authorize the County Manager to execute);
- h. Lease Agreement to the Coordinating Council for Senior Citizens, Durham Inc. (approve the agreement and authorize the Manager to execute);
- i. Resolution Adopting Policy on Closed Session Minutes (adopt the resolution with any changes the Board desires);
- j. Contract Amendment to Wastewater Treatment Plant Improvements?Phase I Engineering Contract

(authorize the Manager to execute the amendment with McKim & Creed, PA in the amount of \$112,000);

- k. Budget Ordinance Amendment No. 04BCC000072 and Capital Project Amendment No. 04CPA000015?Closing of 1986 and 1991 Bond Issuance Related Projects and Movement of Unspent Funds to the Debt Service Fund (304) (approve the closing of the projects and related sub-funds within the Capital Project Fund freeing up \$579,310; transfer remaining balances within these sub-funds to the Debt Service Fund to be used to pay toward existing debt; and transfer General Fund fund balance (\$161,556) to the Little River Regional Park project to replace the moved 1986 and 19991 Bond funds);
- l. Air Quality Initiatives for Durham County (instruct the Environmental Affairs Board to spearhead the initiatives for Durham County); and
- m. **Budget Ordinance Amendment No. 04BCC000074 and Capital Project Amendment No. 04CPA000016?Project No.: DC075-50 (approve the appropriation of \$200,000 of Capital Financing Fund fund balance to purchase 2.23 acres of land located on Shannon Road [Watson Property] for the purpose of expanding the Southwest Branch Library).**

8. Interest Rate Swap

15 min.

The Finance Department has been entertaining a proposal from Rice Financial Products for the County to enter into an interest rate swap agreement. This agreement is projected to save the County almost \$10,000,000 over a ten-year period in debt service. The use of this savings should be limited by the BOCC to 50% current budget and 50% designated for potential increases in debt service due to the Swap arrangement.

During the worksession on May 3, 2004, Rice Financial Products and Public Financial Management (PFM), a recognized expert in the area of Swaps, made presentations to the Board. (PFM was paid \$10,000 to analyze the proposal and make a recommendation to the Board.)

Management recommends that Durham County enter into an agreement with Rice Financial Products and believes that the arrangement will reduce the County's debt service. Management also believes that the risks outlined in the PFM analysis can be mitigated to an acceptable level. A copy of the proposal has been provided to the LGC for its review and comment; however, a response is not expected prior to this meeting. As such, the request is that the Board authorize the Manager to execute a contract with Public Financial Management to advise the County in the negotiation of such an arrangement in an amount not to exceed \$100,000. The scope of services to be provided will include, but are not limited to, the following:

1. Review and comment on all Swap documentation and business terms;
2. Evaluate credit enhancement and other industry standards approaches to managing counterparty credit risk;
3. Negotiate the pricing terms and final structure with the Swap provider;
4. Coordinate the closing of the transaction; and
5. Provide the County with a memorandum summarizing the results of our engagement, including an

opinion that the pricing of the Swap, as agreed to, represents fair value.

Should this arrangement be approved by the BOCC and closed, all costs will be absorbed in the deal (no cash outlay by the County). However, to move the process forward, the request is to approve a \$100,000 appropriation from Fund Balance. Please note that our deal with PFM is on a contingency basis?if the deal fails to close, the County owes nothing to PFM.

Once the deal has been negotiated, the proposal will be presented to the BOCC for final approval, which would be subject to the approval of the LGC.

RESOURCE PERSON(S): George K. Quick, Finance Director

COUNTY MANAGER'S RECOMMENDATION: The Manager recommends that the BOCC approve the proposed deal with Rice Financial Products (subject to approval by the LGC), authorize the Manager to enter into a contract with Public Financial Management to act as our Swap advisor, and approve the Fund Balance Appropriation.

9. **Budget Ordinance Amendment No. 04BCC000073?Emergency Medical Services Salary and Benefits Funding**

15 min.

Per discussion at the Commissioners' Retreat in January of this year, projection of funds available for personnel services in Emergency Medical Services indicates that this cost center will exceed budgeted personnel funds for the current fiscal year. The primary reasons for these anticipated overages are overtime payments to staff these areas 24/7 and under-funded shift differential and relief support pay. Unrecognized (and over-realized) revenues from EMS patient income will be increased \$150,000 and unrecognized General Fund property tax revenue will be increased \$267,029 to support increased personnel expenditures of \$417,029.

RESOURCE PERSON(S): Mickey Tezai, EMS Director, and Pam Meyer, Director Budget & Management Services

COUNTY MANAGER'S RECOMMENDATION: The Manager recommends that the Board approve the \$417,029 appropriation of unrecognized revenue of \$150,000 from EMS patient income and \$267,029 from General Fund property taxes to support personnel expenditure increases in the EMS department.

10. **Ethics Complaint**

20 min.

This matter is being placed on the agenda for discussion and consideration by the Board of Commissioners.

11. **Board Appointments?Durham Appearance Commission and the Durham Bicycle and Pedestrian Advisory Committee**

10 min.

Garry E. Umstead, CMC, Clerk to the Board, will distribute ballots to make appointments to the Durham Appearance Commission and the Durham Bicycle and Pedestrian Advisory Committee.

RESOURCE PERSON(S): Garry E. Umstead, CMC, Clerk to the Board

COUNTY MANAGER'S RECOMMENDATION: The Manager recommends that the Board of County Commissioners vote to appoint members to the above-mentioned boards.

2¼ hrs.



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